

Open-End Net Fund Flows (\$)	10/19	9/19	YTD (Oct)
Equity	-43.19B	-41.93B	-264.14B
Taxable Bond	21.18B	19.47B	165.09B
Municipal Bond	7.15B	4.87B	75.71B
Hybrid	-2.66B	-5.47B	-42.14B
Taxable Money Market	70.80B	71.77B	453.88B

Key Interest Rates	11/29/19	12/31/18	11/30/18
Federal Funds Target Rate	1.75%	2.50%	2.25%
ICE LIBOR (3-Month)	1.91%	2.81%	2.74%
2-Year T-Note	1.61%	2.49%	2.79%
10-Year T-Note	1.78%	2.69%	2.99%
Bond Buyer 40	3.62%	4.09%	4.18%

Commodities/U.S. Dollar	11/19	YTD	12 Mo.
U.S. Dollar Index (DXY)	0.95%	2.18%	1.03%
TR/CC CRB Commodity Index	-0.13%	4.04%	-2.80%
Crude Oil/WTI (per Barrel)	1.83%	21.49%	8.33%
Natural Gas (per million BTUs)	-13.31%	-22.45%	-50.54%
Gold Bullion (Ounce)	-3.25%	14.38%	20.11%

Total Return Performance

U.S. Stock Indices	11/19	YTD	12 Mo.
S&P 500	3.63%	27.63%	16.10%
DJIA	4.11%	23.05%	12.48%
NASDAQ 100	4.10%	34.10%	22.26%
S&P MidCap 400	2.96%	22.72%	8.83%
Russell 2000	4.10%	21.97%	7.47%
Russell 3000	3.80%	27.34%	15.48%

U.S. Styles/Market Caps	11/19	YTD	12 Mo.
S&P 500 Growth	3.43%	27.40%	16.42%
S&P 500 Value	3.86%	27.94%	15.80%
S&P MidCap 400 Growth	3.16%	23.19%	9.30%
S&P MidCap 400 Value	2.76%	22.20%	8.32%
Russell 2000 Growth	5.87%	25.56%	10.89%
Russell 2000 Value	2.33%	18.23%	3.92%

Foreign Stock Indices (USD)	11/19	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	1.25%	18.71%	12.57%
MSCI Emerging Markets NET	-0.14%	10.20%	7.28%
MSCI Europe NET	1.49%	19.12%	13.62%
MSCI BRIC NET	0.26%	14.02%	9.24%
MSCI EM Latin America NET	-4.13%	6.47%	5.60%
Nikkei 225	0.28%	19.77%	10.61%

Barclays Bond Indices	11/19	YTD	12 Mo.
U.S. Treasury: Intermediate	-0.25%	5.26%	6.84%
GNMA 30 Year	-0.02%	5.72%	7.67%
Municipal Bond (22+)	0.30%	9.98%	11.49%
U.S. Aggregate	-0.05%	8.79%	10.79%
Intermediate Corporate	0.04%	9.67%	10.81%
U.S. Corporate High Yield	0.33%	12.08%	9.68%
Global Aggregate	-0.76%	6.22%	8.37%
EM Hard Currency Aggregate	-0.14%	10.29%	11.76%

Sources: Bloomberg, Barclays, Investment Company Institute

Past performance is no guarantee of future results. Historical performance figures for the indices are for illustrative purposes only and not indicative of any actual investment. Indices are unmanaged and an investor cannot invest directly in an index.

Climate

At the start of December, the consensus forecast among economists surveyed by Bloomberg called for a 33% chance of a U.S. recession within the next year. Brian Wesbury, Chief Economist at First Trust Advisors L.P., does not see a U.S. recession occurring at any point in the next two years. The 2020 and 2021 projections for S&P 500 Index earnings, which we touch on below, support Wesbury's current view. In addition, companies continue to project growth via dividend distributions. Global dividends rose 2.8% year-over-year to \$355.3 billion in Q3'19, a record high for a third-quarter, as measured by the Janus Henderson Global Dividend Index, according to Business Wire. U.S. dividend payouts rose 8% year-over-year in the quarter. Janus Henderson expects total global dividend payments to reach a record \$1.43 trillion in 2019, up 3.9% year-over-year.

Stock Market

The S&P 500 Index ("index") closed at 3,140.98 on 11/29/19, 0.40% below its all-time closing high of 3,153.63 on 11/27/19, according to Bloomberg. The S&P 500 Index has set 25 all-time closing highs in 2019 (as of 11/29), six higher than the 19 for all of last year, according to Bespoke Investment Group. In the current bull market, the most all-time closing highs was the 62 posted in 2017. Since 1950, the most all-time closing highs in a calendar year was the 77 posted in 1995. The index posted a total return of 3.63% in November. Nine of the 11 major sectors that comprise the index were up on a total return basis. The top-performer was Information Technology, up 5.38%, while the worst showing came from Utilities, down 1.84%. Year-to-date through November, the index posted a total return of 27.63%. All 11 major sectors were up on a total return basis. The top-performer was Information Technology, up 43.83%, while the worst showing came from Energy, up 5.46%. Year-to-date through 11/29/19, 432 of the 505 stocks that comprise the S&P 500 Index, or 86%, were in positive territory on a price-only basis, according to S&P Dow Jones Indices. That indicates that market breadth is quite strong in 2019. Despite the upbeat showing by equities through the first 11 months of 2019, retail investors have consistently liquidated substantial amounts of capital from open-end equity mutual funds. To date, these funds have reported net outflows totaling \$264.14 billion (see "Open-End Net Fund Flows"), according to the Investment Company Institute. That is so counterintuitive to what one would expect in a climate like the one we are enjoying. The outlook for corporate earnings is still encouraging, in our opinion. Bloomberg's 2020 and 2021 consensus earnings growth rate estimates for the S&P 500 Index were 9.21% and 10.46%, respectively, as of 11/29/19. These expected earnings growth rate levels are right in line with the 9.99% average annual total return on the S&P 500 Index from 1926 through 2018, according to Morningstar/Ibbotson Associates.

Bond Market

The yield on the benchmark 10-year Treasury note (T-note) closed trading on 11/29/19 at 1.78%, up 9 basis points (bps) from its 1.69% close on 10/31/19, according to Bloomberg. The yield stood 63 bps below its 2.41% average for the 10-year period ended 11/29/19. It was just last November when the yield on the 10-yr. T-note climbed as high as 3.24% (11/8/18), or 146 bps higher than its 1.78% close on 11/29/19. As we have noted over time, if interest rates and bond yields continue to trade in a fairly tight range then bond investors should be in relatively good shape moving forward. Factoring in low inflation only bolsters this notion. The U.S. fixed-income markets are the largest in the world, accounting for 40.2% of the \$103 trillion in outstanding securities across the globe, according to data from SIFMA.org. The U.S. market share has averaged 39.5% over the past 10 years.

Takeaway

Talk of a potential partial trade deal between the U.S. and China has helped drive the S&P 500 Index to all-time highs. Based on comments from Chinese officials, the so-called first phase of a deal would likely include rolling back the tariffs that have been implemented since March 2018. The other big event looming as we head into 2020 is the presidential election. For those investors wondering how stocks perform in presidential election years, the S&P 500 Index has averaged 10% over the 18 elections held after World War II, according to data from Morningstar/Ibbotson Associates. That 10% figure keeps popping up (see end of "Stock Market" comments above). With respect to forward-looking expectations for the market, equity investors may want to consider targeting 10% for both 2020 and 2021.

Data as of 11/29/19

Index	10-Yr. High Value	Date	10-Yr. Low Value	Date	Month-End Value	% Off High Value	YTD Return (USD)	Month-End Yield
S&P 500	3153.63	11/27/2019	1022.58	7/2/2010	3140.98	-0.40%	27.63%	1.85%
S&P 500 Growth	1906.65	11/27/2019	528.55	7/2/2010	1899.10	-0.40%	27.40%	1.43%
S&P 500 Value	1254.55	11/27/2019	486.55	7/2/2010	1249.44	-0.41%	27.94%	2.33%
S&P MidCap 400	2050.23	8/29/2018	684.77	11/30/2009	2010.15	-1.95%	22.72%	1.73%
S&P MidCap 400 Growth	962.51	9/14/2018	297.73	2/8/2010	943.80	-1.94%	23.19%	1.44%
S&P MidCap 400 Value	680.56	8/29/2018	247.28	11/30/2009	664.31	-2.39%	22.20%	2.03%
S&P 100	1404.15	11/27/2019	463.84	7/2/2010	1398.63	-0.39%	28.08%	1.93%
DJIA	28164.00	11/27/2019	9686.48	7/2/2010	28051.41	-0.40%	23.05%	2.25%
NASDAQ 100	8444.71	11/27/2019	1728.34	7/2/2010	8403.69	-0.49%	34.10%	1.00%
Russell 2000	1740.75	8/31/2018	579.73	11/30/2009	1624.50	-6.68%	21.97%	1.49%
Russell 2000 Growth	1117.18	8/31/2018	316.36	11/30/2009	1063.97	-4.76%	25.56%	0.74%
Russell 2000 Value	2049.42	8/22/2018	804.33	10/3/2011	1866.25	-8.94%	18.23%	2.27%
Russell 3000	1850.22	11/27/2019	602.36	7/2/2010	1842.05	-0.44%	27.34%	1.80%
MSCI World Net (ex U.S.) (USD)	6487.64	1/25/2018	3249.15	5/25/2010	6226.37	-4.03%	18.71%	3.37%
MSCI Emerging Markets Net (USD)	573.23	1/26/2018	296.24	1/21/2016	490.93	-14.36%	10.20%	2.80%
Ibovespa/Brazil (USD)	43619.40	4/8/2011	9077.09	1/21/2016	25625.23	-41.25%	12.97%	2.97%
RTS/Russia (USD)	2123.56	4/8/2011	628.41	1/20/2016	1438.45	-32.26%	43.70%	6.43%
S&P BSE 500/India (USD)	245.12	1/24/2018	95.89	9/3/2013	216.91	-11.51%	5.14%	1.23%
Shanghai Composite/China (USD)	832.07	6/12/2015	314.68	12/3/2012	408.38	-50.92%	15.38%	2.40%
KOSPI/South Korea (USD)	2.42	1/29/2018	1.24	5/25/2010	1.77	-27.04%	-2.77%	2.25%
Hang Seng (USD)	4241.01	1/26/2018	2087.46	10/4/2011	3365.54	-20.64%	5.66%	3.77%
MSCI Euro (USD)	1544.35	1/26/2018	814.62	6/1/2012	1357.27	-12.11%	20.15%	3.46%
S&P 500 Consumer Discretionary	989.17	7/15/2019	225.31	11/30/2009	960.79	-2.87%	24.45%	1.30%
S&P 500 Consumer Staples	635.00	11/27/2019	262.40	7/2/2010	634.09	-0.14%	24.66%	2.72%
S&P 500 Energy	737.09	6/23/2014	371.08	7/2/2010	431.37	-41.48%	5.46%	4.04%
S&P 500 Utilities	329.42	9/26/2019	141.65	6/1/2010	318.36	-3.36%	22.15%	3.13%
S&P 500 Financials	501.29	1/26/2018	151.85	10/3/2011	498.96	-0.47%	28.67%	1.98%
S&P 500 Banks	372.05	2/1/2018	105.73	8/22/2011	365.60	-1.73%	35.01%	2.62%
FTSE NAREIT All Equity REITs	802.35	10/21/2019	317.99	2/9/2010	779.27	-2.88%	27.87%	3.60%
S&P 500 Health Care	1152.73	11/27/2019	324.13	7/1/2010	1148.69	-0.35%	16.64%	1.68%
S&P 500 Pharmaceuticals	723.95	11/30/2018	268.30	6/4/2010	702.90	-2.91%	8.19%	2.65%
NYSE Arca Biotechnology	5400.34	9/27/2018	888.15	11/30/2009	4999.97	-7.41%	18.76%	0.26%
S&P 500 Information Technology	1548.18	11/27/2019	328.07	7/2/2010	1542.98	-0.34%	43.83%	1.30%
Philadelphia Semiconductor	1742.93	11/15/2019	307.49	8/31/2010	1716.85	-1.50%	51.18%	1.64%
S&P 500 Telecom Services	183.85	7/1/2016	100.96	5/26/2010	178.24	-3.05%	30.12%	1.29%
S&P 500 Industrials	693.70	11/26/2019	234.50	7/2/2010	688.72	-0.72%	29.44%	1.91%
S&P 500 Materials	401.59	1/26/2018	170.73	7/2/2010	375.24	-6.56%	20.89%	2.15%
Philadelphia Gold & Silver	228.95	4/8/2011	38.84	1/19/2016	95.52	-58.28%	36.48%	0.96%
TR/CC CRB Commodity	370.56	4/29/2011	155.01	2/11/2016	176.66	-52.33%	4.04%	N/A
ICE BofAML Perpetual Preferred	284.38	10/25/2019	128.16	11/30/2009	284.13	-0.09%	15.86%	5.10%
ICE BofAML U.S. High Yield Constrained	457.92	11/4/2019	220.03	11/30/2009	457.38	-0.12%	12.05%	6.37%

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